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Approved by:

Chad Russell

U.S. Embassy

Prepared by:

A. Govindan, Santosh Kr. Singh, V. Shunmugam

Report Highlights:

***Ministerial panel on WTO constituted*, *Third world awaits action on Doha mandate*, *Duties on foreign liquor may be reduced in next budget*, *India moves WTO against US subsidy to cotton*, *RKHS ties up with McDonald to launch food courts*, *Indo-US biotech pact signed*.**

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
New Delhi [IN1], IN

Welcome to Hot Bites from India, a weekly summary of issues of interest to the U.S. agricultural community. The report includes information that has been garnered during travel within India, reported in the local media, or offered by host country officials and agricultural analysts. Press articles are included in this report. Significant issues will be expanded upon in subsequent reports from this office.

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MINISTERIAL PANEL ON WTO CONSTITUTED

The GOI's Cabinet Committee on WTO has decided to set up a ministerial panel on the WTO, consisting of Ministers of Finance, External Affairs, Agriculture, Law, and Commerce to look into day-to-day negotiations and expedite the decision making process in the run up to the Fifth Ministerial Conference in Mexico in September 2003. The Ministerial Group would report to the Cabinet Committee on the WTO. (*Source: Business Standard, 11/12/02*).

THIRD WORLD AWAITS ACTION ON DOHA MANDATE

A year after the developing nations managed to secure some major concessions at the WTO meet in Doha last year, attempts are being made to dilute this mandate, according to some Indian experts. According to one expert at the Indian Council for Research in International Economic Relations (ICRIER), the US has brought in the 2002 Farm Bill, which makes the situation very difficult for developing countries. According to him, although the EU has made some attempt to reduce domestic support for the farm sector, it has not been transferred into action on the ground. Farm subsidies continue to loom large as developing nations seek implementation of the Doha mandate signed last year to improve market access for agricultural and non-agricultural goods. Non-tariff barriers remain issues of concern, according to another expert. (*Source: Economic Times, 11/13/02*)

DUTIES ON FOREIGN LIQUOR MAY BE REDUCED IN NEXT BUDGET

The government is likely to bring down the basic customs duty on imported liquor from 182 percent to 166 percent in the next budget (February 2003). Other additional duties may remain unchanged. Consequently, the total effective duty on liquor priced below \$ 25 per case will come down from 415 percent to 365 percent and for premium liquors priced above \$ 25 per case will come down from 340 percent to 292 percent. Under India's GATT Uruguay Round commitments, tariffs on imported liquor are due to come down to 166 percent as of March 2002, and to 150 percent on March 2004. Government will advise states not to levy excise duties on bottled-in-origin liquor, however, they can continue with the label registration fee and sales tax. It is expected that 13 states may announce their new liquor policy allowing sales of imported liquor.

(*Source: Economic Times, Nov. 12, 2002*)

INDIA MOVES WTO AGAINST US SUBSIDY TO COTTON

India has joined Brazil in moving the Dispute Settlement Body (DSB) of the WTO against the subsidy provided by the US to its cotton growers. India has sought to be included as party to the Brazilian complaint saying the issue had substantial trade interest to it. Industry sources said that the US subsidy made Indian cotton uncompetitive in the global market. India's decision to move to the WTO in support of the Brazilian complaint was also on account of the subsidy rendering US textiles cheaper. (Source: Business Line Nov. 11, 2002)

RKHS TIES UP WITH MCDONALD TO LAUNCH FOOD COURTS

After launching its food court called 'Desi Deli' at Mumbai central railway station, Radha Krishna Hospitality Services (RKHS) in a tie-up with McDonald is planning to launch five more food courts at select railway stations in Mumbai and Jaipur. (Source: Financial Express Nov. 8, 2002)

INDO-US BIOTECH PACT SIGNED

Recognizing biotechnology to be a crucial future area for collaborative research and in an effort to strengthen the business relations between US and India in the biotechnology sector, the Confederation of Indian Industry (CII) and the US-India Business Council (USIBC) along with the Biotechnology Industry Organization (BIO) and Pharmaceutical Research and Manufacturers of America (PhRMA) have jointly formed the US-India Biotechnology Alliance. The memorandum of understanding was signed by the director-general of the CII and Hocine Sidi Said, managing director of Pfizer Ltd and a member of USIBC. (Source: Business Standard, 11/08/02)

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